

VZCZCXYZ0003
PP RUEHWEB

DE RUEHSG #0264/01 0782045
ZNY CCCCC ZZH
P 192045Z MAR 09
FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC PRIORITY 4666
INFO RUEHAC/AMEMBASSY ASUNCION PRIORITY 3874
RUEHBR/AMEMBASSY BRASILIA PRIORITY 0783
RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 1374
RUEHLP/AMEMBASSY LA PAZ MAR 6129
RUEHPE/AMEMBASSY LIMA PRIORITY 6076
RUEHMN/AMEMBASSY MONTEVIDEO PRIORITY 4306
RUEHQT/AMEMBASSY QUITO PRIORITY 2254
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SANTIAGO 000264

SIPDIS

STATE FOR WHA/BSC--CATO AND CROFT, PM/RSAT--BURNETT
OSD FOR KRISTI HUNT

E.O. 12958: DECL: 03/19/2019
TAGS: [MARR](#) [PGOV](#) [CI](#)
SUBJECT: CONCERTACION AIMS FOR COMPREHENSIVE DEFENSE
MINISTRY RE-ORGANIZATION

REF: A. IIR 6 817 0075 09 (DTG 022042Z JAN 09)
[1](#)B. SANTIAGO 251
[1](#)C. SANTIAGO 124

Classified By: Political Officer Jennifer Spande for reason 1.4 (b).

[1](#)1. (C) SUMMARY. The Concertacion has proposed an extensive re-organization of Chile's Defense Ministry, transforming civilian contractors into direct-hire employees, moving from a service branch-based structure to a joint structure, and developing a position similar to the Chairman of the Joint Chiefs of Staff. Although long overdue, the proposed re-organization is controversial. Conservatives decry the lack of detail in many aspects of the plan, and call for more rigor and congressional oversight, while progressives say that overly specific legislation would serve as a straitjacket when changes are needed in the future. Both political coalitions would prefer to implement the changes when they control the executive branch, partially so they can choose how to fill the new direct-hire civilian positions. Senator Jorge Arancibia (UDI), the former Navy Commander-in-Chief and likely next president of the Senate Defense Committee, will have great influence over prospects for passage this year. End Summary.

Creating a Corps of Civilian Defense Staff

[1](#)2. (C) Ministry re-organization is a controversial topic among the small number of Chilean experts who follow it closely. All sides agree that the Ministry of Defense lacks well-trained, effective civilian military advisors, but interlocutors pin the blame on different factors. Progressives typically emphasize the shortage of civilian personnel while conservatives highlight the limitations of the current civilian staff: the wrong roles, some poor performers, and lax hiring procedures.

[1](#)3. (C) According to MOD civilian advisor Juan Esteban Montes, there are about 160 direct-hire civilian employees at the Ministry--mostly low-paid secretarial positions with little advancement potential. There are also about 300 civilian professionals hired through contracts or on an hourly basis. Even Congresswoman Maria Angela Cristi (UDI), a staunch conservative on the lower chamber's defense committee, pointed out to Poloff and Army Attache that there are fewer civilians working in the Ministry now than under

Pinochet's rule. (Note: In addition to the civilians at the Ministry, several thousand civilians work directly for one of the service branches. They would not be affected by the proposed changes. End Note.)

14. (C) While insufficient numbers of staff are one part of the problem, poor hiring mechanisms and low-quality staff complete the picture. Congresswoman Maria Angela Christi (UDI) and Guillermo Patillo, a conservative academic and former MOD staffer, say that most civilian MOD employees have no military experience and little understanding of the military world. Guillermo claims that nearly all civilian professionals at the ministry are "paper pushers"--accountants and administrators rather than economists, engineers, or lawyers. Indeed, the core advisors on military policy and planning appear to be just 10-15 civilians who form the Committee of Advisors. (Note: According to Montes, the Minister has a total of about 25 civilian advisors and Undersecretary of War Gonzalo Garcia has five. End Note.) Conservatives, and even MOD advisor Montes (a Christian Democrat), contend that nepotism and political rewards influence hiring decisions within the ministry. Most civilian MOD professional staff are essentially political appointees who would leave the Ministry if opposition candidate Sebastian Pinera were to win the presidential election. (Comment: Problems of nepotism, political favoritism, and the over-use of informal, expensive hiring methods are common among Chile's ministries. End Comment.)

15. (SBU) Compensation for the civilian staff is also a political issue. Civilian professionals working as contract

or hourly employees are paid higher salaries than they would otherwise earn to compensate for their lack of job security. Many contract positions are technically half-time but actually require a nearly full-time commitment.

16. (C) The current draft law would create a substantial number of direct-hire civilian positions within the Ministry for the first time. However, the law does not specify how many civilians, in what capacities, or in what departments they would work. Progressive academic Claudio Fuentes sees this as a strength--or at least as a realistic approach. If the law were more specific, he told Poloff, then every time the MOD wanted to change its structure, Congress would have to pass a new law to do so. In contrast, Senator Jorge Arancibia (UDI) and other conservatives argue that the law is overly vague and gives the Ministry too much discretion in determining what the civilian positions would be and how to fill them. Axel Bucheister, of the conservative Libertad y Desarrollo think tank, would like to see a robust civil service selection system to fill these new jobs--a topic on which the draft law is silent.

A Joint Staff, and a Strategic Conductor

17. (SBU) Under the proposed law, the Estado Mayor de Defensa Nacional (EMDN, National Defense Staff) would be re-named the Estado Mayor Conjunto (Joint Staff), explicitly making it a joint body. The current Chief of National Defense Staff (JEMDN, Jefe de Estado Mayor de Defensa Nacional) would be replaced by a Chief of the Joint Staff (JEMC, Jefe de Estado Mayor Conjunto). This position would be similar to the Chairman of the Joint Chiefs of Staff in the U.S. Most critically, the rank and authority of the new JEMC position would be dramatically increased.

18. (C) The JEMDN position has evolved in recent years, from a relatively junior position to one that is more senior (three-stars) but poorly-defined and viewed by military officers as a dead-end job for an otherwise senior officer. In fact, the position has typically been filled as the last assignment of an officer ready for retirement. Bachelet has attempted to raise the profile of the position. For example, several months ago she asked the well-regarded Army Chief of Staff, Lieutenant General Alfredo Ewing, to postpone his

retirement to serve as JEMDN, a position he has occupied since December 2008 (Ref A). (Note: General Ewing is believed to be the most likely first JEMC if the position is created by 2010. End Note.)

¶9. (C) The proposed reform would continue Bachelet's effort to bolster the JEMDN/JEMC position. As JEMC, the position would be elevated from a three-star to a four-star position, equal to the service chiefs, and the tour of duty for the new position would be increased from two years to four years. The JEMC would oversee any "joint" issues, including exercises, budget, and purchases. Montes envisions that the position's new rank and responsibilities would cause it to be the "ambition of all military officers." Most critically, the JEMC would function as a "Strategic Conductor," directing all military operations. (Note: Earlier versions of the law called for the JEMC to direct military operations only in event of war or crisis, taking orders from the Minister of Defense. According to Montes, this language has since been abandoned after complaints that it was difficult to define precisely when a situation had escalated into a war or crisis. Moreover, analysts feared that the very act of officially declaring that Chile was in a war or crisis situation could escalate an already tense situation. End Note.)

¶10. (C) For the military and many analysts, the proposal to create a Strategic Conductor is the most controversial part of the MOD reform bill. Service chiefs are said to oppose the idea of taking orders from a new Strategic Conductor. Senator Arancibia, who will likely head the Senate Defense Committee in 2009, has a unique vantage point, having served as JEMDN when it was a more junior position and later becoming Navy Commander-in-Chief. Arancibia told Poloff and

Army Attache that although he supports the notion of jointness and the creation of a JEMC, he does not believe that that official should act as the Strategic Conductor. Instead, the Commander in Chief in the affected theater should be directing military action, he said. (Comment: Arancibia was referring to the two operational theaters in Chile--north and south--which already operate in a limited joint capacity. End Comment.)

¶11. (C) Inter-service rivalry is another impediment to the JEMC proposal. The JEMC would undoubtedly reduce the power of the service chiefs, and so arouses controversy from some in Chile's fiercely independent service branches. The Navy opposes the idea, fearing that the JEMC would typically be an Army officer, although the current draft bill stipulates that the position rotate among the three service branches. Senator Arancibia, as a retired Admiral and former Navy Commander in Chief, is unlikely to support any proposal that does not have Navy backing. In contrast, the Army Commander in Chief supports the idea, including the rotating JEMC position.

Less Stovepiping, More Jointness

¶12. (SBU) Another proposed change would increase jointness by replacing the current five undersecretaries (representing Army, Navy, Air Force, Carabineros, and the Criminal Investigations Police) with just two. An Undersecretary for Defense would be responsible for policy and planning and an Undersecretary for the Armed Forces would be in charge of personnel and other management issues. The two undersecretaries would share responsibility for procurement. The Carabineros and the Investigative Police, who currently report to the Ministry of Interior but are funded by the Ministry of Defense, would be wholly integrated into the Ministry of Interior, with their funding coming from Interior rather than Defense.

¶13. (C) Many analysts see the joint administration of the three service branches as a key change, and Buchheister believes that this part of the proposed reforms has the most support. According to Fuentes, the different service

branches are currently stovepiped, with each developing their own policies, handling their own procurement, etc. Buchheister described the three services as "three islands." Rearranging the structure so that a single person oversees all management issues will force the different branches to work together more closely.

¶14. (C) Senators Arancibia and Jaime Gazmuri (PS), both members of the Senate Defense Committee, also support this change. Arancibia told emboffs that the military has been saying for two decades that it needs to do more to work together, but that today the services are more prepared to work with other countries than to work with each other. Gazmuri asserted that the service branches are so separate that even their communications gear is not interoperable. "In case of war, they'd need to use pigeons," he smirked.

¶15. (C) Similar to their concerns about civilian staff, conservatives fear that the proposed law is too superficial, and want details such as the number of divisions each new Undersecretary would have and how responsibilities will be divided among sub-secretaries.

¶16. (C) Congresswoman Cristi was very concerned about moving the Carabineros from the Ministry of Defense to the Ministry of Interior. Both police groups were put under Ministry of Defense authority to make them more politically independent and enable them to focus on national security, she claimed. She fears that moving them wholly out of the Ministry of Defense could undercut these objectives. Perhaps the Criminal Investigations Police, which has a more civilian culture, could be moved to the Ministry of Justice, she offered. But the Carabineros have a military culture and should stay as part of the Ministry of Defense, especially because "democracy has brought so much delinquency," she asserted.

Prospects for Passage

¶17. (C) It is unclear when the proposed re-organization would come to a vote. Upcoming parliamentary and presidential elections will become a major distraction, probably beginning in September. Both sides of the political spectrum would prefer to pass the law when they control the executive branch. The existing civilian defense staff working on contracts, many of whom have ties to the Concertacion, would probably take the new direct hire positions if the law were passed and implemented this year. An Alianza government would likely try to either enact a new, more transparent hiring process or fill the positions with their supporters.

¶18. (C) Senator Arancibia seems inclined to hinder any reform that he deems too radical or likely to hurt the Navy's independence. Montes worries that the recent appointment of outspoken former GOC spokesman Francisco Vidal to be Chile's new Defense Minister (Ref B) may hurt the prospects for passing any of the proposed defense reforms this year (Ref C). The right has a strong dislike of Vidal, and may increase their efforts to stall reform legislation if they associate it with him.

¶19. (C) Even if the law is passed, there are no guarantees that it would be implemented in its current form. Some conservatives, like Buchheister and Congresswoman Cristi, assert that the provisions giving the proposed Strategic Commander direct control of the armed forces are unconstitutional. The constitution allows only the President to order the military, they say. Moreover, they maintain that a constitutional amendment would be required to create a new position senior to the service chiefs. Based on these concerns, the right would likely challenge the new law at a constitutional tribunal unless major revisions are made, Buchheister said.

Comment

¶20. (C) Chile's Ministry of Defense, created in 1930 and developed piecemeal over the years, rather than being strategically designed, is overdue for a restructuring. Embassy officers have been astonished by the relatively small number of effective civilian advisors attempting to manage extremely broad portfolios. Moreover, collaborative efforts such as attempts to support the development of a more robust group of civilian personnel within the Ministry have suffered from the lack of effective Chilean personnel to work on such efforts. However, passing a ministry reorganization law this year will be a hard sell--the Alianza has a majority of votes in both bodies, and parliamentarians may be too distracted by electoral politics to focus on such a complex topic. END COMMENT.

URBAN